

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

May 28, 2009

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 82 (the "District") met in regular session, open to the public, on May 28, 2009, outside the boundaries of the District, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, and the roll was called of the members of the Board:

Gary Sundstrom	President
Rick Gable	Vice President
Don Hays	Secretary
Matthew Hoffpauir	Assistant Vice President
Jerry Chesnutt	Assistant Secretary

and all of the above were present except Director Hays, thus constituting a quorum.

Also present at the meeting were David Wright and Dennis Wright, of TNG Utilities, Inc. ("TNG"); Vicky Sullivan and David Ferrier of Equi-Tax, Inc.; Larry Kupstas and Mike Hunt of Aurous Properties, Inc.; Erik Spencer of Van De Wiele Engineering, Inc. ("Van de Wiele"); David Aguilar of Republic Waste Company; David Escobar of the Harris County Precinct 4 Constable's office; and Lynne B. Humphries and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the April 27, 2009, regular meeting. After review and discussion, Director Chesnutt moved to approve the minutes of the April 27, 2009, meeting. Director Hoffpauir seconded the motion, which passed unanimously.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

GARBAGE SERVICE

Mr. Aguilar reported on garbage service in the District and reviewed the Work Order Report, a copy of which is attached.

## OPERATION OF DISTRICT FACILITIES

Mr. David Wright presented the operator's report, a copy of which is attached. He reviewed the water production report and stated that water consumption was 20,033,000 gallons with 21,793,000 gallons pumped. He said that water accountability was 93.19% during April and that there were no excursions at the wastewater treatment plant. Mr. David Wright reviewed the billing and collection report. He said that twelve taps were installed during April.

Mr. David Wright discussed the Harris-Galveston Coastal Subsidence District permit. He said that a request to change the gallons of water permitted for withdrawal can only be made prior to renewal of the permit. Mr. David Wright said that this will be reviewed prior to next years' application for the permit renewal. The Board asked that an item be placed on the March 2010 agenda regarding this matter.

The Board reviewed the esplanade water usage report. Mr. David Wright said that all esplanade meters are working except for three that are not connected. He said that he would determine if the disconnected meters are being charged the minimum water usage fee. The Board noted that other meters show no flow and asked TNG to investigate.

The Board next reviewed the builder damage report, a copy of which is attached. Mr. David Wright said that all builder back charges over thirty days old have been paid.

Mr. David Wright presented a draft of a letter to the Texas Commission on Environmental Quality (the "TCEQ") regarding the enforcement action concerning permitted effluent limits and the recent fish kill and requested authorization to mail the letter, which the Board determined should be on District letterhead.

The Board reviewed the water production report, the Harris-Galveston Coastal Subsidence District report and the North Harris County Regional Water Authority ("NHCRWA") report.

The Board reviewed the utility cut-off list and discussed the utility deposits. The Board determined to consider amending the Rate Order next month to provide for an increase in utility deposits. After review and discussion, Director Chesnutt moved to authorize TNG to mail the letter to the TCEQ and to approve the operator's report. Director Hoffpauir seconded the motion, which passed by unanimous vote.

## CONSUMER CONFIDENCE REPORT

The Board reviewed the Consumer Confidence Report ("CCR"), a copy of which is attached to the operator's report. After review and discussion, Director Chesnutt moved to approve the CCR, authorize the operator to mail the CCR to the District's

customers, and file the certificate of mailing with the TCEQ. Director Gable seconded the motion, which passed by unanimous vote.

#### CONDUCT HEARING ON TERMINATION OF WATER SERVICE

The Board conducted a hearing on the termination of water service. Mr. David Wright reported that the customers on the attached termination list for the month were delinquent and had been given notification of the opportunity to appear before the Board of Directors to explain, contest, or correct the bill and to show reason why service should not be terminated because of nonpayment, all as required by the District's Amended Rate Order. Director Chesnutt moved that, because the customers on the attached list were not present at the meeting, nor had presented any statement on the matter, said utility services should be terminated in accordance with the District's Amended Rate Order, if payment is not received. Director Gable seconded the motion, which passed unanimously.

#### FINANCIAL AND BOOKKEEPING

Mr. Ferrier presented the bookkeeper's report, investment report, and surplus funds report and reviewed the bills presented for payment. Mr. Ferrier said that the summary of the use and distribution of the Series 2005 Bonds would be updated to reflect that there is no escrow requirement. The Board discussed the use of available surplus funds for easement acquisition and improvements at the water plant or wastewater treatment plant.

The Board discussed the per diem and travel allowance for the summer Association of Water Board Directors ("AWBD") conference. After review and discussion, Director Gable moved to authorize four per diems, three hotel nights and a maximum of nine meals for the AWBD summer conference and to approve the bookkeeper's report. Director Chesnutt seconded the motion, which passed by unanimous vote. A copy of the bookkeeper's report is attached.

#### TAX ASSESSMENT AND COLLECTIONS

Ms. Sullivan reviewed the tax assessor/collector's report and the bills presented for payment. She said that the District's 2008 taxes are 94.2% collected. After review and discussion, Director Chesnutt moved to approve the tax assessor/collector's report. Director Hoffpauir seconded the motion, which passed by unanimous vote. A copy of the tax assessor/collector's report is attached.

## DELINQUENT TAX REPORT

There was no report from the delinquent tax attorney. Ms. Sullivan said that she requested information from Perdue, Brandon, Fielder, Collins & Mott regarding tax foreclosures.

## INSURANCE PROPOSALS

Ms. Covan said that four insurance proposals have been received and forwarded to Mr. Kainer for review. She said that the proposals and his report will be sent to the Board members prior to the next Board meeting.

## SECURITY REPORT

Mr. Escobar reviewed the April security patrol report, a copy of which is filed in the District's official records.

## ENGINEERING

Mr. Spencer presented the engineering report, a copy of which is attached.

## EASEMENTS AND DEEDS, CONSENTS TO ENCROACHMENT, UTILITY COMMITMENTS

Mr. Spencer said that there were no deeds or easements for approval by the Board. He said that the administrative hearing on the condemnation of the Vaquell tract is at 9:30 a.m. on July 8, 2009, at ABHR.

## BRECKENRIDGE FOREST NORTH, SECTION 2

Mr. Spencer stated that the Breckenridge Forest North, Section 2 site is stabilized and that the storm water pollution prevention contract is on hold until further development.

## NORTH SPRING, SECTION 15

Mr. Spencer reported on the development of North Spring, Section 15. He said that this project is on hold.

## BIRNAMWOOD DRIVE EXTENSION TO SERVE ELEMENTARY SCHOOL

Mr. Spencer reported on the status of storm water pollution prevention to serve the Birnamwood Drive extension. He presented and recommended for approval Pay Estimate No. 9 to Environmental Allies in the amount of \$1,032.50.

BRECKENRIDGE FOREST, SECTION 9 AND 10

Mr. Spencer had no report on these matters.

BRECKENRIDGE PARK (WOODMERE DEVELOPMENT)

Mr. Spencer reported on the development of Breckenridge Park. He presented and recommended for approval Pay Estimate No. 22 in the amount of \$325.00 for the storm water pollution prevention contract. Mr. Spencer said that the construction of water, sewer and drainage facilities for Breckenridge Park is on hold.

BRADBURY FOREST, SECTIONS 6 AND 7

Mr. Spencer stated that plans for Bradbury Forest, Sections 6 and 7 have been approved by governmental agencies. He said that the project is on hold.

WATER PLANT NO. 3

Mr. Spencer discussed the construction of water plant no. 3. He said that Fencecrete has repaired the fence. He presented for approval Pay Estimate No. 14 and Final in the amount of \$5,000 and recommended that the Board accept the project.

DESIGN OF BIRNAMWOOD WATERLINE AND EXTENSION

Mr. Spencer said that the plans for the Birnamwood waterline were approved as part of Birnamwood, Segment 1 and 2. He recommended combining the project with the Cypresswood water line extension for bidding purposes.

DESIGN OF CYPRESSWOOD WATERLINE EXTENSION AND INTERCONNECT WITH POSTWOOD MUNICIPAL UTILITY DISTRICT

Mr. Spencer discussed the Cypresswood waterline extension and an Emergency Water Interconnect Agreement with Postwood Municipal Utility District ("Postwood"). He said that Van de Wiele will be designing the extension and requested approval to begin the engineering. Mr. Spencer discussed the meter requirement and maintenance of the meter. Ms. Humphries said that an Emergency Water Interconnect Agreement with Postwood would be required. The Board requested that Van de Wiele provide the necessary information to ABHR to draft the Agreement.

## IMPROVEMENTS TO THE WASTEWATER TREATMENT PLANT

Mr. Spencer reviewed a cost estimate for the wastewater treatment plant rehabilitation project, a copy of which is attached. He requested authorization to begin the engineering for this project.

Mr. Spencer reviewed a summary of completed and substantially completed capital projects and proposed projects, a copy of which is attached.

The Board considered adopting a Resolution Authorizing Application to the TCEQ for Change of Scope and Use of Surplus Funds. The Board asked Mr. Spencer to work with ABHR to determine which projects would be appropriate to include in the surplus funds application to the TCEQ and which projects do not need additional approval from the TCEQ.

## WASTEWATER TREATMENT PLANT PERMIT

Mr. Spencer said that the wastewater treatment plant permit renewal is being prepared.

## CONNECTION AND CAPACITY UPDATE

Mr. Spencer stated that there are 2,715 active single-family residential water connections in the District. Mr. Spencer said that he would update the connection and capacity report. Ms. Humphries asked that the engineer note on the engineer's report the date the elevated storage tank waiver was granted and the number of connections allowed.

## DESIGN, CONSTRUCTION AND DEVELOPMENT IN THE DISTRICT

Mr. Hunt reported on development in the District. He said that the contractor for the school, W. T. Byler, requested 5,000 cubic yards of dirt from the future expansion of the detention pond area. The Board agreed that the school's contractor could remove the dirt subject to certain stipulations including insurance, restoration of the area from which the dirt is removed, and agreement by the school. Mr. Spencer said that he would prepare a letter to the contractor.

After review and discussion, and based on the engineer's recommendation, Director Gable moved to: 1) approve Pay Estimate No. 9 to Environmental Allies in the amount of \$1,932.50 for the storm water pollution prevention contract for the Birnamwood Drive extension to serve the elementary school; 2) approve Pay Estimate No. 22 in the amount of \$325.00 for the storm water pollution prevention contract for Breckenridge Park; 3) approve Pay Estimate No. 14 and Final for water plant no. 3 and accept the project; 4) authorize the engineer to design the Cypresswood water line extension and interconnect with Postwood;

5) authorize ABHR to prepare an Emergency Water Interconnect Agreement with Postwood; 6) authorize engineering for the wastewater treatment plant rehabilitation and maintenance project; 7) adopt the Resolution Authorizing Application to the TCEQ for Change in Scope and Use of Surplus funds; and 8) accept the engineer's report. Director Hoffpauir seconded the motion, which passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

Director Gable reported on the NHCRWA.

WEB SITE

There was no report on the web site.

ACTION TAKEN DURING THE MONTH

The Board reviewed the actions taken during the month.

LEGISLATIVE MONITORING REPORT

Ms. Covan distributed the latest issue of the Legislative Monitoring Report.

DIRECTORS AND DISTRICT CONSULTANT REPORTS ABOUT DISTRICT OPERATIONS

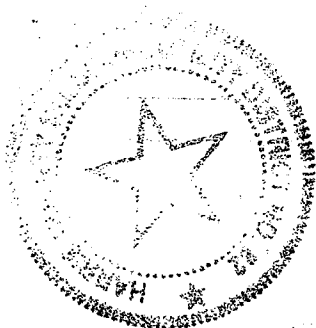
There were no further reports.

CONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY AND CONDEMNATION PROCEEDING; ENGAGEMENT LETTER WITH JOYCE, MCFARLAND & MCFARLAND, LLP

The Board did not convene in Executive Session.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



*Assistant Secretary*  
Secretary, Board of Directors

ACTION LIST

1. Operator will verify the operation of the esplanade meters with no flow and minimum usage charges to disconnected meters.
2. Tax assessor will obtain a report on the tax foreclosures.
3. Operator will mail the CCR to the District's customers and file the certification with the TCEQ.
4. Engineer and ABHR will prepare the surplus funds application.
5. Engineer will update the connection and capacity report.
6. Engineer will prepare a letter to the school contractor regarding dirt removal.

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